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10/28

DIARY NOTES

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22 October 1964

1. At the Executive Committee Meeting this morning:

a. The question was raised as to who has responsibility for White House security clearances. Larry Houston said that he had given [REDACTED] a paper which set forth very clearly that this was not our responsibility. Dick Helms said that the FBI took the opposite position. Ting [REDACTED] picked up the ball to say that he thought we did have responsibility for SI clearances and such special clearances as [REDACTED] T-KH, etc. (I undertook to have Howard Osborn probe this question in greater depth with the General Counsel and produce a memorandum for the Director. In Howard's absence Bob Bannerman, Larry Houston, [REDACTED] and I met to discuss this subject, and [REDACTED] was tasked with the preparation of this high priority paper.)

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b. John Bross raised the question of telephone security vulnerability and discipline. This led to a general discussion of the problem, and it was the consensus that a great deal of sensitive information could be picked up by the monitoring of telephone conversations even without the use of telephone taps. The mobile telephones which most Cabinet officers, the Director, and perhaps a thousand others in town have would not be difficult to monitor, and with lack of good discipline a great deal of information could be obtained. (I undertook to have [REDACTED] and the Director of Security come up with something on this subject. The objective is to produce something factual regarding the degree of vulnerability, emphasizing the necessity for better discipline and possibly dramatizing a scenario in such a way that the Director might use it at the White House, the National Security Council, or in other places to attempt to improve the current unsatisfactory situation. Bob Bannerman and I met with [REDACTED] and [REDACTED] to discuss this, and [REDACTED] was asked to produce a paper in consultation with the Office of Security.)

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2. I handed Mr. Kirkpatrick a copy of Emmett Echols' memorandum regarding delinquent fitness reports on the seventh floor. Kirk said he would see that this matter was cleaned up promptly.

3. Mr. Kirkpatrick telephoned to confirm his invitation to a cocktail-buffet at his home for the University Associates on 2 November.

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4. I met with Bob Bannerman, Emmett Echols, [REDACTED]
[REDACTED] to discuss the following items:

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a. We discussed Matt Baird's 14 September paper on "Career Service Grade Authorization System" and the Office of Personnel's comments thereon. The Office of Personnel assured me that OTR is not being penalized by the assignment of senior people as instructors who are actually slotted against lower-graded positions. Furthermore, they believe that there are a number of ways in which they can help OTR alleviate the current situation. Accordingly, I telephoned Matt and told him that I did not intend to send his paper forward at this time and that I would like to have him work with the Office of Personnel to see what can be done to give him some relief without granting him an exception to the entire system.

b. We then discussed Mr. Kirkpatrick's recent Action Memorandum No. A-431 on our outplacement program. I think that we came to some agreement on general principles which would have to be embodied in any new, fresh, vigorous approach to the problem, and Emmett committed himself to come up with an over-all plan in the very near future. Essential to the plan is the understanding that we must not depend upon an Alumni Association, our Civilian Reserve Program, etc. We must organize ourselves within the Agency and ensure that the right people are concentrating on this effort if it is ever to be successful.

(In connection with the bind in which OTR finds itself and in which others might find themselves in the future, I want to arrange a briefing sometime soon for Mr. Kirkpatrick and General Carter, if we can get them to listen, about what is happening because of our ceiling reductions. I think that we must have some policy guidance as to whether we should hold the line even though we have to stifle promotions or whether we can offer some relief in selected areas. Emmett and [REDACTED] are prepared to present this briefing.)

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5. Emmett discussed the following items with me:

a. He advised me that he had just reviewed his budgetary obligations for the first quarter and found that he was well overcommitted in the area of hospital claims. He thought that at the present rate we might be 30 to 50 percent overcommitted by the end of the year even though we included \$150,000 in the budget for this purpose. He thought that the new \$37-per-day rate which the military is charging us, as well as all civilians, is primarily responsible for this.

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b. Emmett discussed with me again the desirability of publishing an Agency Notice on the new dual compensation bill. We decided that none was necessary or appropriate at this time.

25X1A9a 6. Matt Baird telephoned me about a personnel situation which I undertook to look into. [REDACTED] an employee in the [REDACTED] Division, recently took the PM Course and earned the highest score ever made in the course. He is 28 years of age and a graduate of the Military Academy who resigned after completing his five-year service obligation. He was hired by and assigned to [REDACTED] and had not heard of the JOT Program until he was sent to the PM Course. He is now interested in the Program. Matt's interest and mine is twofold. First, why was he assigned to [REDACTED] without the JOT people at least having a chance to review his file? Second, 25X1A why are we still permitting [REDACTED] to hire people for PM duties when we have a surplus of such people in the Agency, particularly in OTR? (I want to pursue this with Emmett Echols.) 25X1A

7. Bob Bannerman and I talked with Alan Warfield about Mr. McCone's note of 15 October to General Carter on Agency procurement policy. I asked Alan to draft an appropriate memorandum for me to send to the other Deputy Directors attaching thereto a copy of my 14 August memorandum to the DDCI, subject: "Agency Procurement Activities in Fiscal Year 1964," as well as the Director's memorandum to General Carter. The Director's memorandum gives us the license we need to insist on more competition, fixed-fee contracts, incentive clauses, etc. We want to handle this matter carefully and courteously, however, so as not to appear to gloat over our win in this mild controversy. H v

8. [REDACTED] briefed us on the Printing Services Division, Office of Logistics. He is most impressive and always gives you the feeling that things in the Printing Services Division are well in hand. I emphasized to him and Alan Warfield that we should be alert to take advantage of fourth-quarter money in order to buy equipment for the new printing plant, which hopefully we will be moving into in the fall of 1966. I want to make sure that we have the best equipment available in this plant, which should be second to none when finished.

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